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SUBJECT: BELIZE: VENEZUELAN CASH MAKES AN IMPACT ON THE ELECTION
TRAIL

REF: (A) 06 Belmopan 0495; B) Belmopan 008

SUBJECT:

[11](#). (U) The ruling People's United Party (PUP) is putting a US\$10 million grant from Venezuela to work quickly in the runup to elections called for February 7. Although the grant was first announced in the summer of 2007 (ref A), the funds were received less than two weeks ago, around the time of the election call. The government had previously announced that it would make grants to low-income residents for home improvements including repair of damage from Hurricane Dean. As word spread that the money was finally in hand, long lines of people -- some apparently urged on by the opposition radio station -- formed at government offices and at the constituency offices of PUP National Assembly members.

[12](#). (U) In its haste to get cash to potential voters after the National Assembly was dissolved by the election call the government appears to be ignoring Belize's public finance law. Respected former Finance Secretary Carla Barnett, who resigned from the Ministry in May 2007, recently wrote an open letter explaining that spending the Venezuelan money in the absence of an appropriation from the National Assembly violates the Finance and Audit (Reform) Act, passed in 2005. Barnett concluded her analysis with an observation that the law will be ignored since there are "no meaningful penalties." "Can this money be spent?" she asked rhetorically, "Yes, it can and it will be, and this will be done outside of the provisions of the Act."

[13](#). (SBU) COMMENT: The government has been spending liberally for months, usually with a more or less plausible explanation that roads needed to be paved, salaries raised, and so on. But the way the Venezuelan cash is being disbursed, particularly in the absence of an appropriation, has the appearance of blatant vote buying just weeks before the election. The opposition United Democratic Party has been urging the public to take the PUP's money but still vote for change. That could well happen, but if the PUP does manage to win on February 7 it will certainly owe Hugo Chavez a serious debt.
END COMMENT.

DIETER